

## ***NEWS RELEASE***

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CONTACT: GLENN BRIERE  
(617) 727-6200, EXT. 123

### **DeNUCCI SAYS LAX CONTROLS ALLOW EMPLOYEE TO MISUSE ALMOST \$20,000 AT SHREWSBURY DMR FACILITY**

State Auditor Joe DeNucci reported today that poor internal controls at the Department of Mental Retardation's Irving T. Glavin Center in Shrewsbury allowed an employee to use \$19,230 in public funds to cover personal expenses.

The center, which assists mentally retarded persons of all ages in central Massachusetts, notified the Auditor's Office, as it is required to do by state law, of alleged fraudulent transactions totaling more than \$15,000. DeNucci's subsequent investigation found that the thefts totaled \$19,230.

According to DeNucci's audit, the center's failure to segregate responsibilities over agency funds among several employees enabled a business office clerk to use \$7,423 in state money to make personal utility payments and equipment purchases. The center's inadequate controls gave this employee sole responsibility for purchases, vendor invoices and payment vouchers. The clerk was also permitted to circumvent the approval process.

Furthermore, it was later discovered that the employee used spare Wal-Mart credit cards that the center had not adequately safeguarded to make unauthorized purchases totaling \$11,807. The center had established these credit card accounts with selected vendors to expedite routine purchases for the facility's community homes, as well as business office expenses.

"If the various responsibilities had been divided among several employees, as sound business practice requires, this situation could have been avoided," said DeNucci.. "The Glavin Center's management should implement the controls that are needed to ensure that employees who make purchases are not involved in the bill payment process. All vouchers should also be reviewed and approved by management."

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DeNucci also recommended that unassigned credit cards be locked up and inventoried, and that only a minimum number of these cards be kept on hand and strictly secured.

The center has since terminated its Wal-Mart credit card accounts.

Auditor DeNucci's staff is currently working with Worcester County District Attorney John J. Conte, who is prosecuting the case.